



10/18/05

MESSAGES FROM THE HOUSE

SB 356 (Patterson)

SB 419 (Allen)

Support: DEQ, Michigan Realtors Association, Michigan Association of Counties -- This would promote utilizing private sewer systems rather than relying on septic systems which have a greater potential for environmental harm.

Oppose: Sierra Club -- The creation of these systems could encourage sprawl.

SB 356 would add that the activities of a private, investor-owned wastewater facility would have to comply with all applicable laws of the state environmental laws, local zoning and other ordinances, and federal Clean Water laws.

- The Senate concurred with the House changes to SB 356 [RC 474: 37 yes, 1 no]. Immediate Effect was given to the bill.

SB 419 would provide the Public Service Commission with the regulatory authority over rates, fares, fee, and charges of private, investor-owned wastewater utilities, upon application from the utility.

- The Senate concurred with the House changes to SB 419 [RC 475: 37 yes, 1 no]. Immediate Effect was given to the bill.

FINAL PASSAGE

SB 506 (OLSHOVE)

SB 506 would prohibit the open-water disposal of contaminated dredge materials in the waters of the state. The bill would define "open water disposal of contaminated dredge materials" as the placement of dredge materials contaminated with toxic substances into the open waters of the waters of the state

Civil fines would range from \$500 to \$5 million. Criminal fines would start at \$2,500 and could be imposed in amounts greater than \$1 million. (Fines in the upper range are imposed if the defendant's actions pose or posed a substantial endangerment to the public health, safety, or welfare.) A felony conviction for a violation of this part could result in up to five years' imprisonment. Civil fines would be deposited into the General Fund and criminal fines benefit local libraries.

- *Committee 1 (S-1) was adopted. (10/12)*
- *SB 506 was moved to 3rd Reading.*
- **SB 506 passed [RC 482: 38 yes, 0 no].**

SB 663 (Patterson)

SB 663 would provide a tax cut for large temporary employment agencies. There is an excess compensation deduction that is in place for wage intensive industries. This would raise the deduction from 37% of the adjusted tax base to 50% for temp agencies with more than 1,000 employees. This would cut business taxes by \$3.5 million.

Support: Kelly Services.

Oppose: AFL-CIO.

- *Committee 1 (S-1) was adopted. (10/12)*
- *SB 663 was moved to 3rd Reading.*
- **SB 663 passed [RC 481: 22 yes, 15 no]. BASHAM: This is a special-interest tax giveaway.**

SB 664 (George)

SB 665 (Goschka)

SB 666 (Sanborn)

SB 667 (Jelinek)

SBs 664-67 would require the Department of Labor and Economic Growth to establish, by December 31, 2006, a procedure for accepting the delivery of documents (required to be filed under current laws) by electronic transmission. Providing for the electronic transmission of business documents would ease the filing process for numerous businesses and nonprofit organizations that are required to submit documents to DLEG. Electronic filing would be a more efficient procedure for businesses and nonprofits operating in Michigan and could make the State a more attractive site for business development and relocation.

SB 664:

- *Committee 1 (S-1) was defeated. (10/12)*
- *Allen 2 (S-4) was adopted.*
- *SB 664 was moved to 3rd Reading.*
- **SB 664 passed [RC 476: 38 yes, 0 no].**

SB 665:

- *Committee 1 (S-1) was defeated. (10/12)*
- *Allen 2 (S-4) was adopted.*
- *SB 665 was moved to 3rd Reading.*
- **SB 665 passed [RC 477: 38 yes, 0 no].**

SB 666:

- *Committee 1 (S-1) was defeated. (10/12)*
- *Allen 2 (S-4) was adopted.*
- *SB 666 was moved to 3rd Reading.*
- **SB 666 passed [RC 478: 38 yes, 0 no].**

SB 667:

- *Committee 1 (S-1) was defeated. (10/12)*
- *Allen 2 (S-4) was adopted.*
- *SB 667 was moved to 3rd Reading.*
- **SB 667 passed [RC 479: 38 yes, 0 no].**

SB 722 (BARCIA)

SB 723 (Bishop)

SB 724 (Bishop)

SB 722 would increase the fees for application, licensure, registration, and temporary practice to engage in public accounting and impose a peer review fee on those engaging in, or seeking to engage in, public accounting. This would increase revenues by approximately \$1.7 million per year.

- *Committee 1 (2 amends) was adopted. (10/12)*
- *BARCIA 2 (S-1) was adopted.*
- *SB 722 was moved to 3rd Reading.*
- **SB 722 passed [RC 483: 38 yes, 0 no].**

SB 723 would elevate from a misdemeanor to a felony, and increase the penalties for, the unauthorized practice of public accounting and the misuse of titles and abbreviations restricted for CPAs. Currently, a violation is punishable by up to one year's imprisonment and/or a maximum fine of \$5,000; under the bill, it would be punishable by up to five years' imprisonment and/or a maximum fine of \$25,000.

- *Committee 1 (9 amends) was adopted. (10/12)*
- *Bishop 2 (S-1) was adopted.*
- *SB 723 was moved to 3rd Reading.*
- **SB 723 passed [RC 484: 38 yes, 0 no].**

SB 724 would include the unauthorized practice of public accounting in the sentencing guidelines. The offense would be a felony with a statutory maximum sentence of five years' imprisonment.

- *Committee 1 (S-1) was adopted. (10/12)*
- *SB 724 was moved to 3rd Reading.*
- **SB 724 passed [RC 485: 38 yes, 0 no].**

HB 4737 (CUSHINGBERRY)

HB 4737 would provide that all of the revenue generated from the Detroit City utility users tax shall be used to hire and retain police officers. The bill also would remove language which lowers the tax once revenues collected by it exceed \$47.25 million.

In an April 2005 analysis of Mayor Kilpatrick's 2006 Executive Budget, the City of Detroit Auditor General noted that the projected utility user tax revenue for 2004-05 was \$53 million (\$8 million above the revenue threshold). This would require the city to use the additional revenue to hire police officers above the 1984 level of 3,537 officers or reduce the rate to 4.25 percent. Apparently, after layoffs in recent months, the number of officers will not reach 1984 levels, and a rate reduction will be required by law.

- *Committee 1 (S-1) was adopted. (10/12)*

- *CLARKE 2 (2 amends) was defeated. This would require all revenues be used to hire patrol police officers.*
- *HB 4737 was moved to 3rd Reading.*
- *HB 4737 passed with IE [RC 480: 37 yes, 1 no].*

THIRD READING

SB 662 (Sanborn)

SB 662 would require the state to use competitive solicitation for all purchases unless it was for, among other things: 1) Procurement of goods or services was necessary for the imminent protection of public health or safety; 2) Procurement of goods or services was for emergency repair or construction caused by unforeseen circumstances when the repair or construction was necessary to protect life or property.

- *Committee 1 (S-2) was adopted.*
- *SB 662 was moved to 3rd Reading.*

HB 5047 (Huizenga)

HB 5048 (Huizenga)

HB 5109 (Baxter)

SECURITIZATION

HB 5047 would allocate money from the new Jobs for Michigan Investment Fund for basic research, applied research, university technology transfers, and commercialization of products, processes, and services to encourage the development of competitive edge technologies with a high probability of creating jobs in Michigan. A Strategic Economic Investment Board would direct the Fund, which would be required to 1) establish a competitive process to award grants and make loans for competitive edge technologies; and 2) contract with independent peer review experts to assist the board with its responsibilities.

- *Committee 1 (S-2) was defeated.*
- *Garcia 2 (S-3) was adopted.*
- *HB 5047 was moved to 3rd Reading.*

HB 5048 would provide for the sale of three-fourths of the state's future tobacco settlement revenue. The amount of proceeds available from the sale of future tobacco settlement revenue will be depend on the prevailing bond market interest rate for this type of security at the time of sale. If such interest rates rise, the gross proceeds will be reduced.

- *Committee 1 (S-1) was defeated.*
- *Garcia 2 (S-2) was adopted.*
- *Toy 2A (2 amends) was defeated. This would have required voter approval. EMERSON: We can't afford to wait a year and a half to promote our economic development programs.*
- *HB 5048 was moved to 3rd Reading.*

HB 5109 would create a new fund, the 21st Century Jobs Trust Fund, which would consist only of net proceeds from the sale of tobacco settlement revenues to the Tobacco Settlement Finance Authority, interest and earnings from trust fund investments, and donations from any source. The trust fund would be created in the Department of Treasury; the state treasurer would direct investments. The Tobacco Settlement Finance Authority is the

authority that would be created by House Bill 5048, which authorizes the sale of a portion of future tobacco settlement receipts. Taken alone, the bill would have no fiscal impact on either the State of Michigan or its local units of government. The bill is related to other legislation that would authorize the sale of a portion of future tobacco settlement receipts.

- Committee 1 (S-1) was defeated.
- Garcia 2 (S-2) was adopted.
- HB 5109 was moved to 3rd Reading.

HB 5215 (Hildenbrand)

HB 5216 (D. Law)

JOBS PACKAGE

HB 5215 would allow a taxpayer who had been issued a tax voucher certificate to use it to pay an SBT liability for a tax year beginning after December 31, 2008. The bill would limit the total amount of certificates that could be approved to an amount sufficient to allow the Michigan Early Stage Investment Corporation to raise \$450 million. The total amount of all tax voucher certificates issue could not exceed \$600 million, and no new certificate would be approved after December 31, 2015. Further, the amount of certificates approved for use in any tax year could not exceed 25 percent of the total amount of all tax voucher certificates approved the Department of Treasury.

- Committee 1 (S-1) was defeated.
- Garcia 2 (S-2) was adopted.
- HB 5215 was moved to 3rd Reading.

HB 5216 would allow a taxpayer to use a tax voucher certificate to pay an income tax liability for a tax year beginning after December 31, 2008.

- Committee 1 (S-1) was defeated.
- Garcia 2 (S-2) was adopted.
- HB 5216 was moved to 3rd Reading.